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of present utilities. Sanitary science brought to the aid of existing ideals, will surely accomplish more than when that science comes with a challenge to every taste and habit.

Social welfare demands of the twentieth-century housekeeper

First of all, a scientific understanding of the sanitary requirements of a human habitation ; second, a knowledge of the values, absolute and relative, of the various articles which are used in the house, including food ; third, a system of account-keeping that shall make possible a close watch upon expenses ; fourth, an ability to secure from others the best they have to give, and to maintain a high standard of honest work. The great industrial and economic questions of the twentieth-century center about household management. The higher purposes of home life must come into sight, and be the dominating factors unless the present civilization is to pass away.

WILLIAM ALLEN.

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Monopolies and The People. By CHARLES WHITING BAKER, C.E.

Third Edition. New York: G. P. Putnam's Sons, 1899.

8vo. pp. xxiii + 368.

TEN years having elapsed since Mr. Baker first brought out his *Monopolies and The People*, an enlarged edition is now issued, which in addition to the chapters published a decade ago, contains some hundred pages of new matter. A half of this is descriptive, giving a survey of the growth of trusts during the past ten years, and showing to what extent large organizations dominate various branches of industry. Though the details are not so full as some might wish, the account is interesting, and serves well to emphasize the industrial revolution now in progress. The remainder of the book presents some of the author's conclusions regarding the evils wrought by these changes, and his suggestion of remedies.

Despite the long-continued attention which the author has given the subject, it is legitimate to question whether the conclusions which he draws are valid, for the logic at times seems unsound, and the evidence adduced in support is not altogether satisfactory. One statement which challenges criticism is that a marked result of the recent development of corporations has been the decay of business morality. To substantiate this, an invidious comparison is made of railway management during the last decade and half a century ago.

To pass thus on the moral standards of an age is a task which should appal any mere student of economics. One should, however, be on guard against the almost irresistible tendency to find a golden age on every turned page of history. On the face of it, Marshall's position seems more credible. Corporations, instead of being a corrupting influence, so far as business morality goes are in themselves evidence of improvement. Never before have small capitalists had faith enough in business integrity to trust their savings irrevocably to the care of directors. That it is done on so vast a scale now argues for progress rather than decadence.

The illustration which the author has selected to prove this degeneration is unfortunately chosen. In the earlier days, says the author, (p. 325) railways were built with stock subscriptions, were managed with honesty and prudence, and the stock was a safe investment. Recent developments are supposed to show a change radical in degree and harmful in character. It is true that earlier railway financing depended less on mortgage bonds and more on stock. The advantage which the author infers, namely, that the promoters risked only their own capital, does not follow. From the beginning it was customary to solicit loans or contributions (even the loans frequently becoming contributions), from the state or municipality which the road traversed. To obtain donations from public authorities by methods at times approximating blackmail is not necessarily an improvement over borrowing on bond and mortgage. At least public opinion as mirrored in law does not think so, for the granting of municipal aid to railways has commonly been prohibited by state constitutions since 1870, while borrowing is still legal. As to honesty and prudence of management the evidence is no more satisfactory. In 1855 (a year which lies near the author's ideal era of half a century ago) the same complaints were made which are heard today. Directors were said to possess "none of the qualifications of fitness, study, and experience," and were charged with "prostituting their trust to promote their own private interests."¹ The statement that in the early days of railroading stock was a safe investment is altogether too sweeping. In 1835, a date certainly in the early days, "Prices of railroad stocks were generally speculative as the roads were unfinished and their success simply theoretical. The Harlem road sold as high as 190, and then fell to 65, all in five or six weeks, owing to a corner which was made."² Poor states that for the

¹ *Report of the New York Railroad Commission*, 1855, pp. xix. and xliii.

² MARTIN, *Twenty-one Years in the Boston Stock Market*, Boston, 1857, p. 75.

first twenty years of railroad history (1828-1847) even the best located lines were run at a loss. Nor was it the stock alone which was insecure. The present reviewer happens to have in his possession a bond which is said to be one of the first block ever issued by an American railway. As this was defaulted soon after issue it appears that even bondholders suffered then as well as now.

In multiplying accusations against large corporations the author makes complaints which seem to be mutually contradictory. Thus he criticises the trust both because it means the centering of wealth in a few hands (p. 339) and also because the controlling interest does not really own the property, that belonging to the bondholders (p. 320). Can wealth be centered in the hands of a few when all they own is worthless stock (p. 135)? As this stock pays no dividends (p. 321) how can it increase the wealth of the holders as a class? It is true that it may be sold at a profit, but only to other speculators, for no one ever buys common stock as an investment (p. 231), and only those buy who can afford to lose (p. 326). Transactions thus limited to a group of professional speculators are of comparatively little import to the general public. The police may well protect the unwary against the solicitations of a confidence man, but they need not worry over the performances of a close circle of wealthy poker players.

Again, the author says that labor is ground by corporations which select managers solely for their ability to secure dividends (p. 320), yet the only stock which the directors hold seldom or never pays a dividend (p. 321), and no great effort is made to run the business on a paying basis, since the directors' interest is purely speculative (p. 323). The statement that trusts injure the industries of the country by managing them on other than business principles harmonizes poorly with the apprehension that small competitors will be crowded out because the trusts can afford to hire more competent managers and experts (p. 350). When the harm done labor is under discussion it is said that the trust can seldom make a saving in buying raw material (p. 328); when the subject is the injury done small dealers, the ability of the large organization to buy more cheaply threatens the existence of the independent shopkeeper (p. 306). Enormous gains with no dividends, wealth consisting of worthless stock, good managers and bad management, bilking the public by selling stock which no one will buy, economy and extravagance,—surely the trust as portrayed by the author is of a protean character.

A few other criticisms may be briefly made. It is hardly correct to say that a fall in interest injures labor rather than the capitalist (p. 330); history does not support the claim that the great inventions of last century were in marked contrast to those of today in that the former worked immediately to the benefit of the laborer (p. 328); it is true that the apprentice's privilege of sitting at his master's table is denied American workmen (p. 319), it should not be forgotten that the same development has made him exempt from his master's floggings; and, finally, there is no "section of the constitution prohibiting even Congress from making any law annulling the obligations of contracts" (p. 343).

The last chapter of the book discusses the policy to be pursued regarding trusts. Although so severe in his arraignment of trusts the author recognizes that large organizations are a natural development, and criticises any attempt to abolish them. Instead of destroying he would control; and he recommends legislation to prevent over capitalization, stock gambling, and discrimination, and to secure publicity of accounts. As a means of enforcing such control the government should appoint directors to represent the public in the board of directors of each large corporation.

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The Cost of Municipal Trading. A Paper Read before the Society of Arts, by DIXON HENRY DAVIES (with the discussion thereon and diagrams). Reprinted, with additions from the *Journal of the Society of Arts*. London: P. S. King & Son, 1899. 8vo. pp. 71, with 6 charts.

THIS paper and the discussion upon it have to do with the undertaking by the municipality of enterprises or industries commonly known as public utilities. Mr. Davies believes the growing tendency of British cities to municipalize certain industries is greatly to be deplored, and he thinks Parliament should be asked to exercise a restraining influence by refusing to grant to cities the permission necessary to the enlargement of their municipal activities.

Mr. Davies bases his objections to "municipal enterprise" upon "general economic principles of limitation of state functions, applicable